(c) Government have already taken a decision to import LNG and actual imports as also sources of imports would depend upon the price & other relevant factors.

Lowering of aviation Fuel Prices

400. SHRI GOVINDRAO ADIK: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether attention of Government has been drawn to the newsitem appeared in the Financial Express dated 12th September, 1997;

(b) if so, the reaction of Government thereto and the facts regarding the proposal under consideration alongwith the implications thereof; and

(c) the details regarding the present status of the proposal?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI T.R. BAALU): (a) to (c) The Government on 1.9.1997 had decided in principle to dismantle the Administered Pricing Mechanism in the petroleum sector by introducing reforms in a phased manner based on the recommendations of 'R' Group. It had also decided that in the medium run, all petroleum products except kerosene will be priced at import parity. Hence, the pricing of ATF for domestic operations would also be determined, in future, in line with the above decision.

Crude Oil production in Neelam Oil Fields

401. SHRI GOVINDRAO ADIK: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether ONGC is losing $ 1 million a day because of its inability to stem a decline in crude oil production from 90,000 barrels 3 years ago to 38,000 barrels a day from Neelam Oil Fields with chances of further decline in case immediate steps are not taken;

(b) if so, the reasons therefor;

(c) whether Government are considering a proposal to hand over the Neelam Oil Field to foreign company on the pattern of handing over Ravva Panna and Mukta Oil Fields; and

(d) the details regarding the present status of action/decision taken in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI T.R. BAALU): (a) and (b) The production from the Neelam oilfields has declined from the level of 90000 BOPD in April, 1995 to around 40000 BOPD during 1997 due to following reasons:—

(i) Change in geological model and reduction in initial oil inplace have been noticed on evaluation of results of development drilling.

(ii) Pre-mature breakthrough of water and high gas oil ratios in some of the wells.

(c) and (d) No decision has been taken by the Government to invite private participation for the rehabilitation of Neelam Oil Field. The consultancy services of a company have been hired for studying the behaviour of some of the wells of the field. ONGC has also set up a multi-disciplinary asset group to tackle the problem in a more focussed manner.

Bitumen Scandal

402. SHRI KRISHNA KUMAR BIRLA: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is fact that a special audit ordered by the Oil Coordination Committee revealed a major bitumen scandal involving certain oil companies and the transporters, defrauding the Exchaquer by diverting thousands of tonnes of bitumen to the black market and claiming the transportation charges on fake bills drawn from the oil pool account;

(b) whether it is also a fact that the CBI was asked to enquire into the scandal; and

(c) if so, the details thereof stating the present position with regard to the investigations into the matter?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI T.R. BAALU): (a) Oil Coordination Committee conducted a special audit of the accounts of the oil companies for movement of petroleum products including Bitumen. The special audit conducted by OCC revealed irregularities in transportation of Bitumen in various regions of the country.

(b) Yes, Sir.

(c) As advised by CBI, the oil companies concerned have been asked to conduct a detailed enquiry and lodge formal complaints, if criminal offence is made out, with local branches of CBI where the records are available. The concerned oil companies have initiated action accordingly.

Oil transported by HPCL

403. SHRI YERRA NARAYANASWAMY: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the quantum of oil being transported by Hindustan Petroleum Corporation Limited within Visakhapatnam-Vijayawada Sector;

(b) the transport costs being incurred presently by HPCL for moving oil in this sector; and

(c) the projections for 1998-99 and 1999-2000 respectively?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI T.R. BAALU): (a) The quantum of petroleum products transported by the oil industry, i.e. Hindustan Petroleum Corporation Ltd., Indian Oil Corporation Ltd., Bharat Petroleum Corporation Ltd. and IBP Company Ltd. within the Visakhapatnam—Vijayawada Sector during the period April, 1996 to March, 1997, is given below:—

Mode of Transport	Quantity in Million Metric tonnes
By rail	1.041
By road	0.741
TOTAL	1.782

(b) The transportation costs incurred by the Oil Industry for moving petroleum products in this sector during the period April, 1996 to March, 1997 are given below:—

Mode of Transport	Cost Incurred
By rail	60.27
By road	48.18
TOTAL	108.45

(c) The projections for 1998-99 and 1999-2000 are given below:

Year	Movement (in Million Metric tonnes)
1998-99	2.666
1999-2000	2.812

Effect of Insurgency on ONGC Operations

404. DR. Y. LAKSHMIPRASAD: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that the operations of ONGC has suffered serious set-back in Nagaland, Tripura and Assam due to insurgency;

(b) if so, the effect on ONGC operations in each of these States;

(c) whether it is a fact that in Assam, besides the extremists, the Village